

## Message Text

UNCLASSIFIED

PAGE 01 SANTIA 03595 022226Z

ACTION EB-07

INFO OCT-01 ARA-10 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01

CIAE-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-02 EPG-02 AID-05 SS-15

STR-04 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01

/108 W

-----030456Z 099611 /13

R 022045Z MAY 77

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 4624

INFO USDOC WASHDC

AMEMBASSY BOGOTA

AMEMBASSY BASILIA

AMEMBASSY CARACAS

AMEMBASY LA PAZ

AMEMBASSY LIMA

AMEMBASSY QUITO

USDEL MTN GENEVA

UNCLAS SANTIAGO 03595

E.O.11652:N/A

TAG: ETRD, CI

SUBJ: GENRAL TARIFF REDUCTIONS

REF: SANTIAGO 0385

1. THE OFFICIAL GAZETTE PUBLISHED MAY 2 CONTAINS THE NINTH  
GENERAL TARIFF REDUCTION IN THE SERIES INITIATED IN JANUARY 1974.

2. THE ARITHMETIC AVERAGE TARIFF IS NOW 22.4 PERCENT.  
MAXIMUM TARIFF IS 46 PERCENT, MINIMUM IS 7 PERCENT. EXCEP-  
TIONS TO THE RULE ARE MOTORIZED VEHICLES WHICH STILL HAVE A  
115 PERCENT TARIFF AND CERTAIN ITEMS WHICH ARE NOT SUBJECT  
TO TARIFFS SUCH AS SHIPS WEIGHTING MORE THAN 500 TONS,  
NUCLEAR REACTORS AND PARTICLE ACCELERATORS, FARE-FIGHTTING  
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TRUCKS AND AIRPLANES.

3. CENTRAL BANK ESTIMATES THAT THESE TARIFF  
MODIFICATIONS WILL LOWER TOTAL IMPORT COSTS IN GENERAL BY  
1.4 PERCENT. IN THE CASE OF RAW MATERIALS AND INTERMEDIATE  
GOODS, THE REDUCTION IN TOTAL IMPORT COSTS IS ESTIMATED AT  
2 PERCENT.

4. COMMENT: ALTHOUGH CERTAIN PRODUCERS FOR THE LOCAL MARKET HAVE COMPLAINED BITTERLY THAT LOWER PRICED IMPORTS ARE SEVERELY DAMAGING THEIR BUSINESS, THE GOC HAS CONTINUED TO REDUCE TARIFFS, FOLLOWING A SCHEDULE FIRST ANNOUNCED IN EARLY 1974. THE CURRENT REDUCTION WAS PLANNED TO TAKE EFFECT IN JUNE THIS YEAR, BUT THE GOVERNMENT DECIDED TO ADVANCE IT IN ORDER TO PROVIDE AN ADDITIONAL STIMULUS TO INDUSTRIAL SECTORS DEPENDENT ON IMPORTED COMPONENTS. ALSO, LOWER PRICED IMPORTED CONSUMER GOODS SHOULD HOLD DOWN DOMESTIC PRICES. MEANWHILE EXPORTS CONTINUE TO BE VERY STRONG.

5. TWO COPIES OF OFFICIAL GAZETTE CONTAINING GENERAL TARIFF REDUCTION FOLLOW BY POUCH.  
POPPER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TARIFF LAW, TARIFF LIBERALIZATION  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
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**Executive Order:** N/A  
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**Status:** NATIVE  
**Subject:** GENRAL TARIFF REDUCTIONS  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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